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[Review of the Distribution of Announcements of Funding Planning Targets and Certain Other Aspects of the Local Public Works Program]. CED-77-139; B-126652. October 25, 1977. Released November 1, 1977. 3 pp.

Report to Rep. Joseph M. McDade; by Robert F. Keller, Acting Comptroller General.

Issue Area: Federally Sponsored or Assisted Employment and Training Programs (3200).

Contact: Community and Economic Development Div.

Budget Function: General Government: Legislative Functions (801), General Government: Executive Direction and Management (802).

Organization Concerned: Economic Development Administration.

Congressional Relevance: Rep. Joseph M. McDade.

Authority: Local Public Works Capital Development and Investment Act of 1976 (P.L. 94-369; P.L. 95-28).

The Local Public Works Capital Development and Investment Act of 1976 authorized funding of \$2 billion to make grants to State and local governments for constructing or renovating public facilities and an amendment authorized an additional \$4 billion. In distributing the additional funds, the Economic Development Administration (EDA) made allocations to the States and established planning targets for substate areas based primarily on unemployment statistics.

Findings/Conclusions: The planning targets established for Lackawanna County and the city of Scranton, Pennsylvania, were developed in accordance with the agency's procedures and were calculated accurately. A Federal official asserted that announcements of the substate area planning targets were not provided to a New Jersey political candidate days before the scheduled release date, as alleged, but it would have been possible for a knowledgeable individual to have calculated planning targets on his own. In reference to an allegation that announcements of planning targets were made available to Members of Congress of one political party and the press before information was provided to remaining Members, an official stated that announcements were hand delivered to as many Members as time permitted and the remainder brought to House and Senate mailrooms. Priority was given to chairmen of committees involved in program legislation, then ranking minority members of such committees, and then to individual Members involved in program legislation. In delivering announcements to remaining Members, Democratic party members were sometimes given preference in keeping with the practice during prior administrations.

Recommendations: The Assistant Secretary for Economic Development should require that information regarding the operation of EDA's programs should be distributed to Members of Congress without regard to political party. (Author/HTW)



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

04037
B-126652

October 21, 1977

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The Honorable Joseph M. McDade
House of Representatives

Dear Mr. McDade:

Pursuant to your June 10, 1977, letter and subsequent agreements with your office, we reviewed the funding planning targets established for Lackawanna County and the City of Scranton by the Department of Commerce's Economic Development Administration under the local public works program and the distribution of announcements of the planning targets. This report supplements the information provided to your office on June 24 and 30.

Also, your letter asked that we inquire into the policies and procedures the agency followed in allocating funds under the second round of the local public works program. We are currently reviewing the policies and procedures the agency followed in round one of the program and plan to make a detailed review of its effectiveness. Our effectiveness review will coincide with the completion of a substantial portion of the projects begun under round one. As we advised your office, we will include in this review your concerns relating to the adequacy and fairness of the method used by the agency in allocating funds under round two of the program.

The Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369), enacted on July 22, 1976, authorized funding of \$2 billion for a local public works program to make grants to States and local governments for 100 percent of the cost of constructing or renovating public facilities. The 1976 act was amended by Public Law 95-28 to, among other things, authorize an additional \$4 billion for the program. In distributing these additional moneys, the agency allocated funds to the States and established planning targets for substate areas based primarily on numbers of unemployed and unemployment rates.

Our review of the planning targets established for Lackawanna County and the City of Scranton showed that they were developed in accordance with the agency's procedures and were calculated accurately. We also verified the planning targets developed for two other counties and cities

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in Pennsylvania. The details concerning the procedures the agency followed in establishing these planning targets were provided to your office on June 30, 1977.

Regarding the allegation that the announcements of the substate area planning targets were provided a candidate involved in the New Jersey governor's race days before the scheduled release date, the Deputy Assistant Secretary for Economic Development Operations told us that, to the best of his knowledge, the allegation was not correct. He pointed out, however, that it would have been possible for someone knowledgeable about the details of the program to have calculated planning targets on his own.

Regarding the agency's distribution of the announcements of the substate area planning targets, it was alleged that the announcements were made available to all Members of Congress of one political party and the press before any information was provided to the remaining Members of Congress.

An agency official told us that on June 8, 1977, agency personnel hand delivered planning target announcements to as many individual Members of Congress as time would allow and that those which could not be hand delivered were brought to the House and Senate mailrooms for either pick up that day or delivery the following day. The official told us further that in delivering the announcements, the following priority order was followed

- House and Senate chairmen of committees and subcommittees involved in program legislation;
- ranking minority members of House and Senate committees and subcommittees involved in program legislation; and
- individual Members of Congress involved in program legislation, such as members of committees and subcommittees, and others known to be highly interested in the program.

The official stated that in delivering the announcements to the remaining Members of Congress, members of the Democratic party were given preference in some instances. This, she said, was in keeping with the practice the agency followed during prior administrations.

The official stated that it should be noted that the planning target information brought to the House and Senate mailrooms was available to the individual Members, consequently she considered that the information

was available to every Member of Congress, regardless of party, on the same day. She said that the agency did not make the information available to the press until the following day, June 9, 1977.

According to the agency official, no records were maintained on either the names or numbers of the Members of Congress to whom the planning target information was hand delivered.

CONCLUSIONS

Because of the lack of records showing who received hand delivery of the planning target information, it is not possible to assess the significance of the agency's actions. We believe the practice of giving preference to one political party over another in distributing information to individual Members of Congress is inherently unfair.

RECOMMENDATION

Accordingly, we recommend that the Secretary of Commerce direct the Assistant Secretary for Economic Development to require that information regarding the operation of the Economic Development Administration's programs be distributed to Members of Congress without regard to political party.

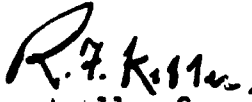
AGENCY COMMENTS

In commenting on our recommendation, the Assistant Secretary for Economic Development stated that the agency will review its practices and procedures to determine if changes are needed.

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This report contains a recommendation to the Secretary of Commerce. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. We will contact your office in the near future to arrange for release of the report so that the requirements of section 236 can be set in motion.

Sincerely yours,


ACTING Comptroller General
of the United States